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R&I EXCLUSIVE

■ COVER STORY

R&I's TOP 100 INDEPENDENTS

AMERICA'S HIGHEST-GROSSING RESTAURANTS

By Monica Kass and Lisa Bertagnoli

The same grit that kept the Berghoff family smiling for this photograph despite subzero Chicago temperatures brought the nation's most resilient independent restaurants through a tough year to a place in *R&I*'s Top 100. Labor shortages, inflated food costs and intense competition could not prevent this hardworking group from generating $821 million in food and beverage sales in 1988 (an aggregate of reported sales from each operator's largest unit). That's an impressive 8½% increase over 1987. Higher sales totals overall caused the Top 100 basement to rise $300,000 over last year's $4.5 million cutoff point.

Now in its seventh consecutive year, *R&I*'s Top 100 ranks restaurants on the basis of food and beverage sales; revenues from gift shops, cover charges and room rentals are not included.

Each restaurant has been open at least a year and is operated by a restaurateur who owns no more than 10 restaurants. In the case of multiple restaurant ownership, operators were asked to list figures for their largest unit only.

Restaurants located in areas with built-in customer traffic—theme parks such as EPCOT, casinos, airports and large hotels—were disqualified from the ranking. Restaurants that lease space in hotels—such as Le Cirque in New York—were not.

Because much of the information needed for this ranking is not publicly available, *R&I* screened more than 700 restaurants to compose as comprehensive a ranking as possible. Each restaurateur interviewed provided a sales figure or a sales estimate. In the few instances where figures were not available, *R&I* estimated sales (as indicated by a single asterisk). Sales totals in the ranking are rounded to the nearest thousandth. In the case of a tie, the restaurant that served the greatest number of people is listed first.

Many of the restaurants in 1989's Top 100 have occupied berths in the ranking since its inception. Frank Giuffrida's Hilltop Steak House in Saugus, Mass., has topped the list every year. But 13 of the 100 are new to the list and, continuing a tradition, are as widely divergent as The Waterfront in Covington, Ky., Bice in New York and Carson City Nugget in Carson City, Nev. This is a tribute to them all.

THE TOP 100

Rank	'88 rank	Restaurant/city/owner	Sales	Opened	Seats	People served/year
1	1	**The Hilltop Steak House** Saugus, Mass. Frank Giuffrida & Jack Swansburg	$31.500MM	1951	1,300	2,380,000
2	2	**Tavern on the Green** New York Warner LeRoy	25.900	1976	1,197	625,000
3	6	**Smith & Wollensky** New York Alan Stillman	16.500	1977	420	370,000
4	4	**Phillips Harborplace** Baltimore Brice, Shirley, Steven & Olivia Phillips & Paul Wall	14.960	1982	700	540,000
5	5	**Anthony's Pier 4** Boston Anthony Athanas & Family	14.800*	1963	650	650,000*
6	7	**The Manor** West Orange, N.J. Harry Knowles & Family	14.500**	1957	1,500	425,000
7	—	**Legal Sea Foods** Boston [illegible]k Plaza) Dan, Mary & John Hountalas	14.200	1980	292	585,000**
8	8	**The Four Seasons** New York Paul Kovi & Tom Margittai	14.200*	1959	400	188,000*
9	17	**The Kapok Tree** Clearwater, Fla. Aaron R. Fodiman & Murray Steinfeld	12.726	1957	1,750	1,000,480
10	9	**Zehnders of Frankenmuth** Frankenmuth, Mich. Edwin L. Zehnder	12.555	1856	1,300	1,000,010
11	12	**Scoma's Restaurant** San Francisco Al Scoma	12.121	1965	300	528,394
12	10	**Spenger's Fish Grotto** Berkeley, Calif. Frank L. Spenger & Frank Spenger Jr.	12.000	1890	700	910,000
13	3	**The '21' Club** New York Knoll Int'l Holdings (Marshall Cogan)	12.000	1923	650	200,000
14	—	**The Waterfront** Covington, Ky. J. Ruby, P. Rose, B. Esiason & C. Collinsworth	11.028	1986	290	220,000
15	11	**Old San Francisco Steakhouse** Dallas Henry Reed & Partners	11.000**	1974	750	504,000
16	14	**Shooters on the Water** Fort Lauderdale, Fla. R. Moreau, A. Lahaye, M. Burge & R. Maranda	10.850	1982	340	620,500
17	15	**The Water Club** New York Michael D. O'Keeffe	10.700*	1982	250	150,000
18	16	**Old Original Bookbinders** Philadelphia John & Albert Taxin	10.500**	1865	800	264,000
19	18	**Le Cirque** New York Sirio Maccioni	10.000**	1974	125	145,000
20	36	**Bob Chinn's Crab House** Wheeling, Ill. Robert & Marilyn Chinn	9.595	1982	630	515,000
21	—	**The Cheesecake Factory** Marina del Rey, Calif. David Overton	9.440	1983	250	790,000
22	19	**Jimmy's Harborside** Boston Charles J. Doulos	9.400	1924	460	345,000
23	23	**Joe's Stone Crab** Miami Beach, Fla. JoAnn Sawitz-Bass	9.398	1913	380	330,000
24	13	**The Russian Tea Room** New York Faith Stewart-Gordon	9.340	1926	325	300,000
25	20	**The Hard Rock Cafe** New York Mecca Plc.	9.320	1984	250	711,228

* *R&I* estimate ** owner estimate © *Restaurants & Institutions*, a Cahners Publication

RESTAURANTS & INSTITUTIONS

Rank	'88 rank	Restaurant/city/owner	Sales	Opened	Seats	People served/year
26	31	**Montgomery Inn** Cincinnati Ted Gregory Family	$9.200MM	1951	480	900,000
27	29	**The Berghoff** Chicago Herman Berghoff & Family	9.000	1898	700	900,000
28	26	**Gallagher's Steak House** New York Jerome Brody	9.000	1937	240	260,000
29	24	**Ditka's** Chicago M. Ditka, J. Vainisi, G. Shlaes & E. Pontillo	9.000	1986	140	182,000
30	45	**The Cliff House** San Francisco Dan, Mary & John Hountalas	9.000**	1850	301	350,000*
31	22	**Haussner's Restaurant** Baltimore The Haussner Family	8.900**	1926	880	600,000*
32	33	**The Hard Rock Cafe** Chicago Peter Morton	8.820	1986	250	727,000
33	25	**Yesterday's** Fort Lauderdale, Fla. Peter Goldhahn	8.600	1975	650	350,000*
34	37	**The Lobster House** Cape May, N.J. Wallace Laudeman	8.263	1940	480	554,400
35	34	**Space Needle Restaurant** Seattle The Howard S. Wright Family	8.205	1962	220	391,200
36	27	**The Rascal House** Miami Beach, Fla. Norman & Steve Stamler, Arthur Goodman	8.200	1954	425	1,724,250
37	43	**Old Ebbitt Grill** Washington, D.C. Stuart Davidson & John Laytham	8.200	1856	425	546,000
38	28	**Mai-Kai** Fort Lauderdale, Fla. Robert F. Thornton	8.200	1956	475	225,000
39	—	**Bice** New York Da Bice U.S.A. Inc. (Roberto Ruggeri)	8.100	1987	180	219,978
40	32	**Frankenmuth Bavarian Inn** Frankenmuth, Mich. William Zehnder Jr. & Family	8.075	1888	1,200	815,000
41	35	**Ralph & Kacoo's** New Orleans Piccadilly Restaurants Inc.	7.973	1983	790	444,600
42	30	**Columbia Restaurant** Tampa, Fla. Cesar Gonzmart & Family	7.900	1905	1,660	600,000**
43	39	**The Commissary** Philadelphia Steven Poses	7.500**	1977	100	720,000
44	40	**Longhi's** Lahaina, Hawaii Robert & Peter Longhi	7.200	1976	225	400,000
45	44	**The Union Oyster House** Boston Joseph, Mary Ann & Mary Milano	7.150	1826	620	555,000
46	—	**Carson City Nugget** Carson City, Nev. Hop & Howard Adams	6.953	1955	753	1,257,845
47	50	**Rustic Inn Crabhouse** Fort Lauderdale, Fla. Wayne McDonald, Henry J. & Wayne Oreal	6.931	1956	700	381,000
48	57	**Joe Muer's Restaurant** Detroit Joe Muer	6.920	1929	400	2,500,000
49	46	**Mike Fink** Covington, Ky. Benjamin L. Bernstein	6.910	1968	410	284,000
50	41	**Gibby's Steaks and Seafood** Fort Lauderdale, Fla. Donald & Steven Hersh	6.850	1978	600	400,000

* *R&I* estimate ** owner estimate © *Restaurants & Institutions*, a Cahners Publication

THE TOP 100

Rank	'88 rank	Restaurant/city/owner	Sales	Opened	Seats	People served/year
51	38	**Sardi's** New York S. Lichtenstein, I. Bloch, H. Klaris & L. Lowenthal	$6.819MM	1921	350	300,000
52	64	**Barrett's on Boston Harbor** Boston Francis Barrett	6.635	1985	225	240,500
53	47	**John Dominis Restaurant** Honolulu D.G. Anderson	6.600*	1979	370	142,000*
54	52	**The Pacific Dining Car** Los Angeles Wesley A. Idol II	6.541	1921	185	259,150
55	53	**Kowloon** Saugus, Mass. William & Madeline Wong	6.540	1960	1,200	1,095,000*
56	54	**Twin Oaks** Cranston, R.I. William DeAngelus Jr.	6.500	1933	550	558,150
57	56	**Stars** San Francisco Jeremiah Tower	6.500*	1984	150	175,000**
58	48	**The Angus Barn** Raleigh, N.C. Alice & Van Eure	6.496	1960	550	223,614
59	49	**15th Street Fisheries** Fort Lauderdale, Fla. Michael Hurst	6.400	1979	320	112,000
60	42	**Leona's** Chicago (Sheffield St.) The Toia Family	6.200	1950	400	920,000
61	—	**Arnaud's** New Orleans Hi-Arc Inc. (Archie Casbarian)	6.200**	1918	900	169,000**
62	66	**O'Shea's Wharf** Marco Island, Fla. Thomas & Delores Shea	6.152	1976	550	357,491
63	65	**Harris Ranch** Coalinga, Calif. John C. Harris	6.114	1977	535	756,023
64	51	**The Omega Pancake House** Niles, Ill. George Stavropoulos & Partners	6.100	1984	400	1,456,000
65	55	**Bern's Steak House** Tampa, Fla. Bern & Gert Laxer	6.000	1956	320	200,000
66	61	**The Chateau Restaurant** Waltham, Mass. Louis J. Nocera & Marianne Skerry	5.975	1938	800	728,000
67	58	**Junior's Restaurant** West Los Angeles, Calif. Marvin & Bette Saul	5.950	1959	238	884,000
68	60	**Tangier Restaurant** Akron, Ohio Edward A. George	5.852	1955	1,800	200,000
69	—	**Ben Bensen's Steakhouse** New York Ben Bensen	5.850	1982	250	163,800
70	76	**Carson's, The Place for Ribs** Chicago (Wells St.) The Carson Family	5.800	1978	170	416,000
71	72	**Tobacco Company Restaurant** Richmond, Va. Dr. Jerald D. Cable	5.610	1977	220	260,000
72	67	**The Ritz** Newport Beach, Calif. Hans & Charlene Prager	5.600*	1977	250	150,000
73	59	**Shorebird Beach Broiler** Honolulu John Pederson Ltd. (John McManus)	5.529	1978	300	291,200
74	85	**Chez Joseph** Agawam, Mass. Allan Skole	5.522	1969	1,800	174,000
75	—	**Palio** New York, N.Y. Tony May	5.500	1986	150	93,600

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&RESTAURANTS &INSTITUTIONS

Rank	'88 rank	Restaurant/city/owner	Sales	Opened	Seats	People served/year
76	71	**Knickers** Des Plaines, Ill. Nicholas Mitchell	$5.465MM	1982	1,250	267,384
77	80	**Spago** West Hollywood, Calif. Wolfgang Puck & Barbara Lazaroff	5.400	1982	160	130,000
78	63	**Scott's Seafood Grill & Bar** Oakland, Calif. Raymond Gallagher	5.350	1984	400	220,000
79	—	**Bellini** New York Arrigo Cipriani	5.300	1987	85	145,600
80	73	**Bishop's Restaurant** Lawrence, Mass. Victoria, Charles, Abraham & Joseph Bashara	5.286	1949	530	300,000
81	68	**Clifton's Cafeteria** Los Angeles Donald H. Clinton & Jean C. Roeschlaub	5.259	1935	750	1,436,674
82	69	**Pals Cabin** West Orange, N.J. W. Donald Horn & Family	5.250	1932	400	364,000
83	90	**Sea Watch Restaurant** Fort Lauderdale, Fla. James Edmondson	5.250	1974	240	286,212
84	—	**The Ginger Man** New York Michael & Patrick O'Neal	5.237	1963	250	200,000
85	74	**Café des Artistes** New York George Lang	5.220	1915	107	130,000
86	—	**Champps** Richfield, Minn. Dean Vlahos	5.212	1986	250	676,000
87	78	**The Melrose Diner** Philadelphia Richard W. & Richard Kubach Jr.	5.200	1935	106	1,092,000
88	86	**Christo's Restaurant** Brockton, Mass. Chris G. Tsaganis	5.200	1964	550	612,000
89	—	**Hampshire House** Boston Thomas Kershaw	5.114	1942	500	275,600
90	95	**Trail Dust Steak House** Dallas The Parker Family & Roger Pock	5.108	1977	600	354,881
91	87	**F. McLintocks** Shell Beach, Calif. Bruce Breault & Tunny Ortali	5.053	1973	350	340,911
92	83	**Gotham Bar & Grill** New York J. Kretchmer, J. Bliss, Rick & Rob Rathe	5.020	1984	175	105,500
93	79	**The Rattlesnake Club** Denver Michael McCarty & Jimmy Schmidt	5.000	1985	500	180,000
94	62	**The Quilted Giraffe** New York Barry & Susan Wine	5.000**	1975	85	45,000**
95	91	**Le Bernardin** New York Gilbert & Maguy LeCoze	5.000*	1986	120	93,000*
96	93	**Pittypat's Porch** Atlanta Tony & Stanya Anthony	4.980	1967	300	205,000
97	94	**Seafood Shack Restaurant** Cortez, Fla. Ham Jones	4.853	1972	700	360,000
98	92	**Maxwell's of San Francisco** San Francisco Horn & Hardart	4.808	1981	600	200,000*
99	—	**Capt. Anderson's Restaurant** Panama City Beach, Fla., Jimmy & Johnny Patronis	4.836	1960	570	265,000
100	—	**Buckhead Diner** Atlanta Pano Karatossos & Gerry Klaskala	4.800	1987	176	90,500

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MEETING THE CHALLENGES

Independents, the most beleaguered group of full-service operators, face another year of fighting to keep costs down.

Labor availability, health-care costs, tougher competition and maintaining quality head the list of challenges independents face this year. Solutions are not easy, but here's how some of the country's successful restaurateurs plan to stay healthy in 1989 and beyond.

Labor shortages

Finding competent labor remains the most pressing problem among independents. Most Top 100 operators have implemented plans to make staffing easier. Joseph Milano, owner of Boston's Union Oyster House, asks his staff to pass word of job openings to friends and relatives: 50% of the people he has hired in the past six months were hired through the grapevine. Scott Carney, general manager of Gotham Bar & Grill, New York, says Chef Alfred Portale finds kitchen help through his network of chef friends. Portale and Carney, however, have been unable to find a qualified pastry chef, even for a starting salary of $60,000 a year.

Aaron Fodiman, chef/proprietor of The Kapok Tree Restaurant, Clearwater, Fla., hires everyone who fills out an employment application. New employees who prove incompetent are fired, and usually find work at another restaurant in town, Fodiman adds.

Operators also are taking pains to keep employees happy. Two years ago Nick Rillo, owner of Casa Rillo, Camp Hill, Pa., started an employee assistance program for staff and managers with personal problems. So far, about 15% of Casa Rillo employees have used the program, employees who might have left the restaurant had the program not been available, Rillo says. He adds that he is careful not to present the program as an in-house drug enforcement agency.

Attempts to offer better benefits, however, sometimes backfire in the face of legislation. For instance, Section 89 of the new tax code, which took effect Jan. 1, states that employers may not discriminate against lower-level employees when offering health-care benefits. If the employer does not comply, employees who do receive enhanced health-care benefits will be forced to pay taxes on them.

The Internal Revenue Service, however, has yet to issue guidelines for compliance. Therefore employers such as Gotham Bar & Grill, which offer different levels of health-care coverage, have no way of judging whether programs are lawful.

Officials from the National Restaurant Association are careful to point out that Section 89 is a tax issue, not a benefits issue. According to Elaine Graham, senior legislative representative for the association, a bill to repeal Section 89 was scheduled to be introduced in the House Jan. 19.

Labor costs

While most operators have accepted the shrinking labor pool as part of doing business and are taking steps to

"The higher minimum wage has added 30% to my labor costs. . . . It's becoming difficult to stay in the restaurant business."

—Marvin Saul, Junior's, Los Angeles

"Business people are just beginning to feel the effect of 80% deductibility. Their cutbacks will become more obvious."

—Tom Kershaw, Hampshire House, Boston

solve the problem, the threat of a higher federal minimum wage leaves operators feeling somewhat helpless.

Restaurateurs in California—where the minimum wage is now $4.25 an hour—say the 90-cent increase is having a formidable effect on business. Marvin Saul, owner of Junior's Restaurant, Los Angeles, says labor costs as a percentage of sales have jumped from 38% to 42% since November, when restaurants started paying the higher wage, retroactive to July 1. (They had been waiting for a decision from the California Supreme Court on a tip-credit amendment to the bill. The court declared the amendment unlawful, saying the state could not sanction two separate wage systems.)

Since then, Saul says he has cut down on staff, cut down on hours and raised menu prices 8% to maintain sufficient profit margins. This year, he will take a 5% menu price increase, but not without worrying about it. "I can't price myself out of business," he says.

Saul and other independent operators oppose a higher federal minimum wage on the grounds that it will cause artificial inflation, even though proponents of higher minimum wage say that the disposable income created by higher wages will prevent inflation. Still others take the inevitable in stride. "Minimum wage hasn't gone up in such a long time that I can't see how a hike can be avoided," says Frank D'Angelo, manager of Bob Chinn's Crab House, Wheeling, Ill.

The new FICA tax on tips also is taking a toll on profits, operators report. Tom Kershaw, owner of Boston's Hampshire House restaurant, says he paid $47,000 more in FICA tax during 1988 than he did the year prior. Milano of the Union Oyster House says he paid $70,000 to $80,000 in FICA tax, and likens the tax to a surcharge on a restaurant's payroll.

But what operators deem most frustrating is the double standard posed by FICA tax on tips and higher minimum wage. FICA tax, in essence, treats tips as wages, subject to the same taxes as salaried employees who work. Minimum-wage legislation, however, does not consider tips as wages, unthinkable to restaurateurs employing waiters who earn $40,000 a year.

Some operators believe the government, with FICA tax on tips and only a 40% credit for minumum wage, is forcing the industry to adopt a service charge to replace free-will tipping. Rillo, for one, prefers a service charge because it gives employers more control over servers' incomes. Fodiman would like to write service charges into the menu prices, and discard all forms of tipping. But all interviewed for this story say they are reluctant to ask customers to give up the feeling of control that comes with tipping.

Food costs, menu prices

The greater percentage of menu-price increases, operators say, stem from higher labor costs. However, rising food costs also will have a hand in price increases.

Saul says because of the drought-related boost in flour, sugar, soybean and oat prices, Junior's will raise menu prices 5% this year. Carney reports that tuna and swordfish prices are rising quickly, but the restaurant will not use less-expensive alternatives. "We're trying to offer good food at an affordable price," he says. This year, Gotham Bar will raise prices 4% to 7% if necessary.

Ted Gregory, owner of Cincinnati's Montgomery Inn, says volume at the restaurant is high enough for him to do what chain restaurants do: buy in quantity. Last year, Gregory bought 1.5 million pounds of ribs at a good price and, for 25 cents per pound, arranged to store it in off-premise refrigeration. Although the restaurant uses few vegetables, Gregory says he winces at the occasional boosts in lettuce prices, but doesn't raise salad prices.

Gregory takes a similar attitude toward employee theft, another uncontrollable factor that boosts food costs. Despite precautions such as an alarm on the back door and closed-circuit cameras in the kitchen, employees con-

"The last six months of 1988 softened up a bit—our covers were slightly down from 1987. I'm getting feedback from vendors that business is on the soft side."

—Joseph Milano, Union Oyster House, Boston

THE TOP 100

tinue to steal, he says. "It's just something you live with." Sander Hollander, owner of Pirate's House in Savannah, Ga., estimates employees steal or waste about 1% of the food he buys each year.

Consumer spending

Operators in most parts of the country do not report any softening in consumer spending. "This was a good year for us," says Carney. In Boston, Milano says he senses a feeling of caution among customers: Covers during the last half of 1988 were slightly down from the last six months of 1987. Florida remains a good restaurant market, says Fodiman, although people tend to try new places more often than they visit established restaurants. He says occasional dinner specials keep customers coming in.

Although covers and check averages remain stable, declining sales of high-margin beverage alcohol force operators to keep tighter rein on food costs. Kershaw says that in 1984, beverage alcohol accounted for 56.1% of sales. Last year, alcohol accounted for 51% of sales. In dollar figures, alcohol sales were $1.32 million in 1984 and $1.53 million in 1988, an increase of just $21,000 over four years. (The figures apply only to Hampshire House, not the downstairs pub.) Wine sales, however, are rising, Kershaw says. To take advantage of customer interest in wine, he has started a wine society and holds tastings at the restaurant.

The full effect of 80% business-meal deductibility is just beginning to be felt, according to owners of fine-dining restaurants. Carney and other independents question the logic behind the law: "People do business in restaurants—it spurs the economy," Carney says. Kershaw agrees. "The government is saying to business people: 'This way of doing business is no longer legitimate.' "

Some operators have turned to catering to offset lagging dining-room business. Kershaw says he has started to cater private parties, mostly as a favor to friends, but needs to work out mechanical problems before he can expand that part of his business. Since less food waste occurs when preparing food for a fixed number of people, better control over food costs is an advantage of catering.

At Junior's, catering now accounts for 7% of sales, and Saul plans to increase off-premise business. He currently runs three delivery trucks and plans to purchase more. Takeout remains a problem because parking is scarce around the restaurant.

Takeout and delivery might be hot among consumers, but some operators do not consider the trends viable sales builders. "I will not let a $3 pint of chowder interfere with a dining-room customer's meal," says Milano of Union Oyster House. The restaurant offers takeout to accommodate regular customers, but does not advertise the service. Rillo says Casa Rillo cannot handle delivery because the building does not have a door or an elevator at street level. Hollander is reluctant to coordinate insurance, drivers, trucks and advertising for a business that he says "wouldn't add much" to total sales.

Social issues

Twenty-five years after the Surgeon General's report on the effects of smoking, operators say that separating smokers from non-smokers is simply good business.

Hot talk-show and newsmagazine topics such as AIDS in the workplace and waste management have yet to faze independent restaurant operators. Carney says he does not view AIDS as a problem: "Fears about waiters and AIDS are unfounded," he says. Fodiman says he hopes never to have to make a decision about an employee with the dreaded disease. And Hollander has other things to think about. "If I don't keep food and labor costs below 60%, I won't make any money," he says.

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"I prefer a service charge—we'll have more control over a server's compensation. And the government is pushing toward a service charge, what with tip tax and all."
—Nick Rillo, Casa Rillo, Camp Hill, Pa.

"Hiring is becoming brutal. We work with the state department of labor to fill some jobs, but we can't find a pastry chef for $60,000 a year."
—Scott Carney, Gotham Bar & Grill, New York

THE TOP 100

20 TOP CONTENDERS

Watch this list. Many of the 20 who almost made 1989's Top 100 should qualify next year. Just missing this years cutoff point were:

101.	Christ Cella New York	$4.800M*
102.	The Nut Tree Nut Tree, Calif.	4.785
103.	Arne's Fine Seafood Boston	4.780
104.	Dominique's Washington, D.C.	4.750
105.	Nick's Fishmarket Chicago	4.730
106.	Weber's Restaurant Ann Arbor, Mich.	4.700*
107.	Harpoon Hanna's Fennick Island, Del.	4.600
108.	Jesse's Dockside Seminole, Fla.	4.591
109.	The Bay Tower Room Boston	4.576
110.	Castagnola's San Francisco	4.565
111.	Philippe, The Original Los Angeles	4.545
112.	Harbormasters Jacksonville, Fla.	4.535
113.	Casa Rillo Camp Hill, Pa.	4.504
114.	Tony's Houston	4.500
115.	Joe's Pier 52 New York	4.468
116.	Carnegie Deli New York	4.430
117.	The Pirates' House Savannah, Ga.	4.419
118.	Warehouse Restaurant Marina del Rey, Calif.	4.400
119.	Daniel Webster Inn Sandwich, Mass.	4.335
120.	Captain Bilbo's River Restaurant Memphis, Tenn.	4.300

*R&I estimate

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GREAT EXPECTATIONS

This year Håkan Swahn's Aquavit in New York adds 80 seats.

Several restaurants too young to make the Top 100 in 1988 were written up as "great expectations"—restaurants expected to make the Top 100 this year. Of the group, Bice, New York, came out on top. The 180-seat Italian restaurant did $8.1 million in food and beverage sales in 1988, fulfilling owner Roberto Ruggeri's first-year projections and earning the restaurant a No. 39 rank in the 1989 Top 100. Bellini, New York, an 85-seat Italian restaurant, did $5.3 million in 1988 a bit short of owner Arrigo Cipriani's initial projection of $6.5 million, but still good for a Top 100 rank. Also in New York, Il Palazzo fulfilled first-year projections of $5 million, but owners Arnold and Bruce Zimberg closed the restaurant in June 1988. Shooters on the Water, Cleveland, was expected to do $12 million in 1988, but finished the year at $8.8 million. And, Richard Tannenbaum's two Dallas-area Atchefalaya Cafes never attained first-year-sales projections of $4.5 to $5 million.

Good bets for inclusion in *R&I*'s Top 100 in 1990 are Aquavit, San Domenico and Hubert's in New York and The Montgomery Inn at the Boat House in Cincinnati.

Håkan Swahn's Aquavit opened November 1987 and reported first-year sales of $4.2 million. The upscale Scandinavian restaurant has check averages of $47 at lunch, $65 at dinner. Swahn's planned addition of 80 seats and a delivery/catering business should push sales above $5 million this year.

Ted Gregory's Montgomery Inn at the Boathouse opened in Cincinnati in January with 750 seats—double the size of the original Montgomery Inn in Montgomery, Ohio. Gregory projects first-year sales of $14 million to $15 million for the new location.

Tony May's much-lauded San Domenico opened in June 1988 with 130 seats and checks averaging $72 for dinner, $59 for lunch. May projects first-year sales of $4.5 to $5 million.

Since relocating to a swank Park Avenue location in February 1988, Len Allison and Karen Hubert's restaurant, Hubert's, has been averaging $400,000 a month. The restaurant seats 165, and checks average $50 at lunch and $80 at dinner.

Len Allison's Hubert's in New York is a candidate for next year's Top 100.

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THE TOP 100

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EXPANSION PLANS

The nation's largest independent restaurant is expanding. Hilltop Steakhouse, Saugus, Mass., opened its first satellite September 1988 in Nashua, N.H., with seats for 420. Two more Hilltops to open in 1989 will have 600 to 700 seats, standard for future sites. Each new location will have a "tasteful replica" of the original's towering neon cactus signpost outside. . . . Milton Parker's first West Coast Carnegie Delicatessen will open in March 1989 in Beverly Hills, Calif., with 200 seats—double the size of the Manhattan original. . . . The Berkowitz family's sixth Legal Sea Foods will open in Natick, Mass., September 1989. . . . Wolfgang Puck and Barbara Lazaroff are gearing up for the fall 1989 opening of Granita in Malibu, Calif. The 150-seat restaurant will serve Mediterranean food. Also this fall, Puck will open Eureka, a 150-seat brew pub, in West Los Angeles with partners Jerry Goldstein and Andrew Hoffman. . . . Chicago-based Ditka's will open a third restaurant in April 1989 in Merrillville, Ind. . . . Sardi's, Washington, D.C., will open in September 1989. Owner Stuart Lichtenstein says the restaurant will have the "same feeling" as the New York original . . . Cesar Gonzmart's fifth Columbia restaurant will open in November 1989 in Clearwater, Fla., with a 60-boat marina and a Cha Cha Coconuts next door. . . . James Edmondson, owner of No. 83-ranked Sea Watch restaurant, will open a large waterfront cafe along the Seminole River in Fort Lauderdale this spring. The 250-seat restaurant will feature an a la carte menu of small pizzas, pastas, risotto and grilled fish. . . . Alan Stillman is opening two new restaurants in New York, September 1989. La Cité and Bistro La Cité will be a formal French restaurant and a casual French bistro/brasserie, respectively. . . . Peter Morton will open Hard Rock Cafe restaurants in Sydney, Australia, in March 1989; Las Vegas, Nev., fall 1989; and Melbourne, Australia, 1990. . . . Jerome Kretchmer and partners at the Gotham Bar & Grill will be opening at least one, maybe two restaurants in New York's Bryant Park development. One, a 160- to 180-seat American brasserie, tentatively will be named Park Place.

All smiles: Peter Morton opens two more Hard Rock cafes in 1989.

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A BIT OF BAVARIA ON I-75

Maidens in puffed sleeves and colorful bodices, oompah music and a red-roofed chalet do not your typical travel center make. But come April, travelers passing through Michigan on Interstate 75 will be able to stop at the nation's only Bavarian-style fast-food/gas station/convenience store. Bill Zehnder, owner of the Frankenmuth Bavarian Inn in Frankenmuth, Mich., concocted the travel center as a way to attract business off the highway and into his restaurant and hotel eight miles away. "Frankenmuth is a small town," says Zehnder, "and with Zehnder's restaurant across the street from the Bavarian Inn, we've pretty much saturated the area. The travel center will allow us to expand sales without adding seats to the restaurant." The restaurant at the travel center will sell Bavarian Inn's signature chicken for takeout along with plenty of bratwurst, coleslaw and German relishes.

THE TOP 100

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FACES AND PLACES

It began as a restaurant so good, people wanted to stay all night. Now it's a hotel. Ma Maison Sofitel.
ONLY IN L.A.
Ma Maison Sofitel

In the 1970s, to be chic in Los Angeles was to dine at Ma Maison. In 1989, the chic eat and sleep at Ma Maison Sofitel. The hotel fulfills a dream of Patrick Terrail, who closed the original restaurant in 1985, hoping to open a hotel. Sheldon Gordon, developer extraordinnaire, a Ma Maison patron and friend to Terrail, put Terrail's plan in action and brought in Sofitel to manage the hotel. Terrail is now Sofitel's food and beverage director; the two restaurants are Ma Maison and La Cajole, a brasserie. The new Ma Maison has a garden room, like the original, but according to Terrail, "is more sophisticated to match today's more sophisticated consumer." Fancy finishes include a ceiling that, at the touch of a button, opens to reveal the sky. Asked if he misses his independent status, Terrail says, "Sofitel has been very agreeable to my management style, so nothing has changed. Remember, I'm a restaurateur, but an entrepreneur first."

Not only did Hilltop Steakhouse serve $31.5 million worth of steak and potatoes in 1988, the megameatseller topped $20 million in sales through its butcher shop. "It's not your typical butcher shop," says Frank Giuffrida, owner. "The whole room is refrigerated and people come in and select meat from racks." Most customers buy meat in 10- to 15-pound slabs, cut to order at the checkout stand. Guiffrida says Hilltop will duplicate the butcher shop at all new locations.

Ralph & Kacoo's is no longer Ralph and Kacoo's—it's Piccadilly property. On Dec. 2, 1988, Ralph and Catherine Olinde sold their six restaurants and distribution company to Baton Rouge, La.-based Piccadilly Cafeterias for $38 million. Two other independents—Maxwell's of San Francisco and The Hard Rock Cafe, New York, went public via ownership changes this year. Horn and Hardart bought Maxwell's in May 1988, and Issac Tigrett sold Hard Rock in August 1988. The concept is owned by Mecca Plc.

The restaurant industry lost a leader with the passing of Thad A. Eure Jr., Nov. 18, 1988. Eure, founder of the No. 59-ranked restaurant, The Angus Barn, Raleigh, N.C., also founded Darryl's, a successful concept that has been franchised by General Mills. He created Fat Daddy's, a fast-food restaurant that now includes two units, and, finally, the 42nd Street Oyster Bar. Not only active in his own interests, Eure was committed to industry improvement through participation in the National Restaurant Association. Elected president of the NRA in 1978, Eure guided the association to significant legislative victories in areas of business meals, tax deductibility, capital gains tax and labor law reform. Eure's wife Alice and daughter Van continue in the family business. R&T

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